

# ANNUAL REPORT



**2007 – 2008**

**RICHMOND MUNICIPALITY**



## COMPILED BY

Office of the Acting Municipal Manager

**(in compliance with section 121 of the Municipal Finance Management Act, Act No. 56 of 2003)**

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## VISION

**‘Through innovation and dedication, the Richmond Municipality will provide its citizens with access to physical, social and economic development opportunities in a safe and secure environment’.**

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## **1. Mayors Foreword**

The 2007/2008 financial statements sets out the financial results for the past financial year.

The past financial year represented my second full year in office as the Mayor of Richmond. It was a challenging and enlightening experience. It involved implementing and complying with the municipal finance management act as well as preparing for the implementation of the Municipal Property Rates Act.

A satisfactory accumulated surplus was achieved and expenditure was contained within the approved budget. Implementation of capital projects remains a challenge due to limited funds. We have however endeavored to implement the Integrated Development Plan within available funds.

In conclusion, I would like to express my appreciation to all Councillors, the Municipal Manager, Departmental Heads, all other personnel as well as the citizens of Richmond for their support, cooperation and hard work during the past year.

**Councillor B Ngcongco**  
**Honorable Mayor**

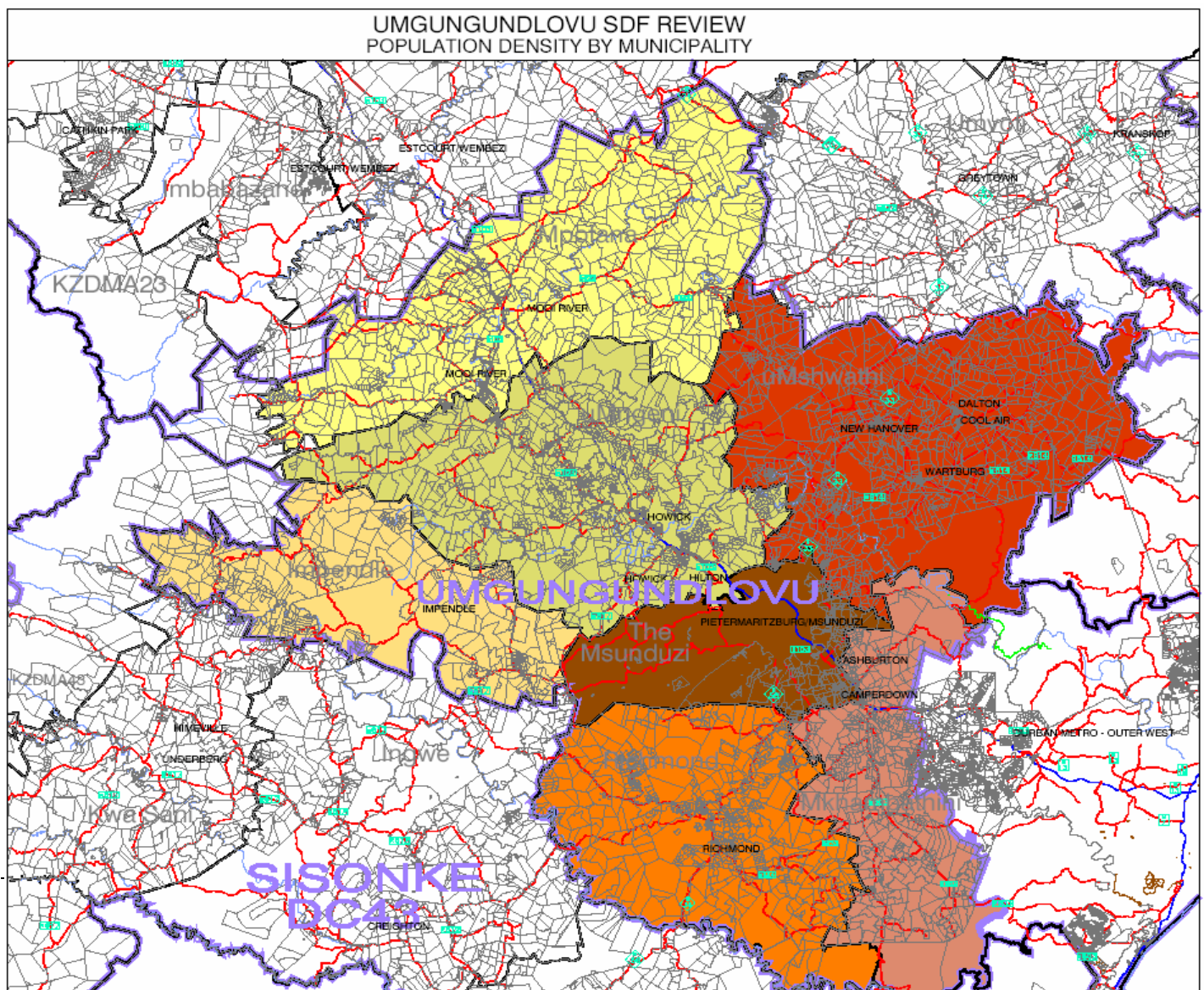
## **2. Overview - Richmond Municipality**

### **2.1 Overview of Municipality**

As recorded in the Richmond Municipality Integrated Development Plan for the 2007/2008 financial year, the Richmond Municipality was established in terms of Section 155 (1) (b) of the Constitution of the Republic of South Africa following the 2000 local government elections. It is located along the southern boundary of the uMgungundlovu District Municipality, approximately 38 kilometers south of Pietermaritzburg (the Capital of KwaZulu-Natal) along the R56. It is approximately 1232 square kilometers in extent.

The Richmond Municipality (KZ227) is the fourth smallest municipality (one of the seven category B municipalities) within the uMgungundlovu District Municipality (DC22). The other municipalities comprising the uMgungundlovu District Municipality are Mkhambathini, Mpofana, Msunduzi, Umshwathi, Umgeni and Impendle.

The Richmond Municipality has been classified as a place of great natural beauty with significant tourist attractions with immense aspirations to be the preferred destination to live, work and visit.



## 2.2 Socio – Economic Profile

### 2.1.2 Population Trends

According to the 2001 census data, the total Richmond Municipality population is approximately 63 222 people (MDB: 2005) and which figure marks a proportionately marginal growth rate from 61673 people recorded in 1996, however, the projected population figure for the Richmond area in 2004 was estimated at 64072 and was extrapolated using the 0.7% per annum growth rate. Further, information received from Global Insights suggests a much higher figure compared to the census data, it estimated the population of Richmond, in 2006, at approximately 79325 people.

<b>Persons</b>	<b>2001</b>	<b>1996</b>	<b>% Change 1996 – 2001</b>	<b>% of population, 1996</b>	<b>% of population, 2001</b>
African	60148	58096	3.53	93.54	95.14
Coloured	518	384	34.90	0.62	0.82
Indian	943	1095	-13.88	1.76	1.49
White	1613	2098	-23.12	3.38	2.55
Total Population	63222	61673	1.79	100.00	100.00

*Source: Municipal Demarcation Board Website: 2006*

### 2.1.3 Distribution per Ward

The Richmond Municipality is comprised of seven (7) wards and the distribution per ward is as follows:

<b>Wards</b>	<b>1996</b>	<b>2001</b>
Ward 1	2318	3461
Ward 2	733	5842
Ward 3	2374	8650
Ward 4	12865	13115
Ward 5	16885	14473
Ward 6	0	10056
Ward 7	6501	7628

*Source: Municipal Demarcation Board Website: 2006*

The population is spread unevenly among the seven municipal wards with Wards 4 and 5 being the most populated and most rural of areas.



### 2.1.4 Quality of Life Survey

Drawing from a report published by the University of KwaZulu-Natal School of Economics and Finance – Pietermaritzburg Campus, the following is extracted to give an indication of the feel of the community of Richmond.

#### Extract:

Question 1 : *Does your household have access to the following services?*

<i>Service</i>	<i>Percentage</i>
<i>S A Police Services</i>	<i>12.86</i>
<i>Public Health Facilities</i>	<i>15.25</i>
<i>Private Health Facilities</i>	<i>6.26</i>
<i>Education Facilities</i>	<i>9.86</i>
<i>Water and Electricity</i>	<i>12.43</i>
<i>Municipality</i>	<i>11.80</i>
<i>Banks and other financial institutions</i>	<i>8.93</i>
<i>Postal Service</i>	<i>9.96</i>
<i>Public Transport</i>	<i>12.65</i>

*Source: University of KZN – FMB, School of Economics and Finance (Quality of Life Survey)*

Question 2 : *Government Services Satisfaction*

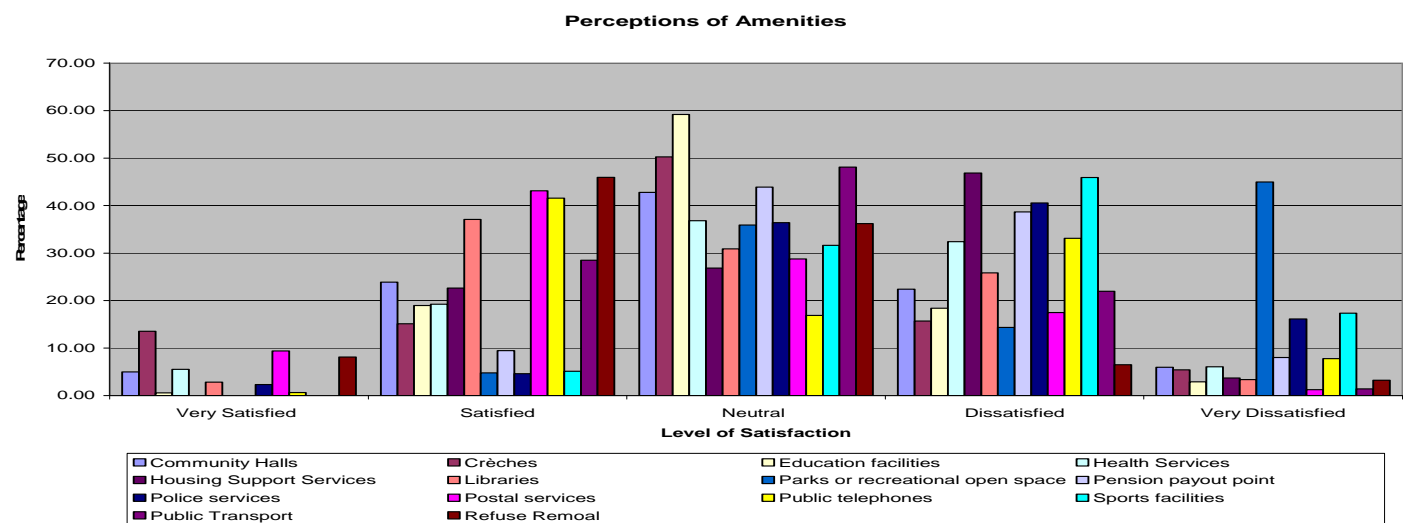
*Richmond Businesses:* *Dissatisfaction* – *municipal markets and municipal roads*

*Satisfaction* – *municipal pay points, electricity and fire fighting*

*Richmond Households:* *Dissatisfaction* – *housing services, police services, health services, sports facilities, pension pay point and public transport*

*Satisfaction* – *refuse removal, postal and library services'*

## 2.1.4 Perception of Amenities



Source: UKZN – PMB Campus (Quality of Life Survey)



## **2.4 Council and its Structures**

### **1.4.1 Executive Committee**

At the inaugural meeting of the Richmond Municipal Council, held after the March 2006 elections, the following Cllrs were inaugurated and nominated to hold office and seats in the Executive Committee of the Richmond Municipality.

Cllr	Bonginkosi Ngongo	Mayor and Chairperson of the Executive Committee
	Bonisile E. Dlamini	Deputy Mayor (member of Exco)
	Sibusiso J. Mchunu	Member of Exco (Chief Whip)

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### **1.4.2 Council**

<b>Councillor</b>	<b>Office</b>	<b>Ward / PR – Party</b>
Dr A Ragavaloo	Speaker	Ward 1 Cllr – ANC
P L Shange	Member of Council	Ward 2 Cllr – ANC
D R Phoswa	Member of Council	Ward 3 Cllr – ANC
S J Mchunu	Exco Member / Chief Whip	Ward 4 Cllr – ANC
B Ngongo	Mayor and effectively member of Exco	Ward 5 Cllr – ANC
M J Shelembe	Member of Council	Ward 6 Cllr – ANC
Z S Msomi	Member of Council	Ward 7 Cllr – ANC
W T Shelembe	Member of Council	PR Cllr – ANC

Council continued..

<b>Councillor</b>	<b>Office</b>	<b>Ward / PR – Party</b>
J B Mtolo	Member of Council and Councillor nominated to District Municipality – until the beginning of March 2007	PR Cllr – ANC
R Naidoo	Member of Council and nominated Councillor to District Municipality – from the beginning of March 2007	PR Cllr – ANC
B E Dlamini	Deputy Mayor	PR Cllr – ANC
T C Madonda	Member of Council	PR Cllr – DA
M P Vezi	Member of Council	PR Cllr – IFP
B M Mngadi	Member of Council	PR Cllr – UDM

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## 1.5 Senior Management

Municipal Manager	-	Advocate T J Nene (from 01 July 2007-02 April 2008)
Strategic Manager: Corporate Services	-	Miss A C R Whyte (from 01 July 2007 – 02 June 2008) in Acting Capacity  Mr J K Khumalo (from 03 June 2008 – 30 June 2008) in Acting Capacity
Strategic Manager: Financial Services	-	Mr WC Donnelly (from 01 July 2007 – 30 June 2008)
Strategic Manager: Community Services	-	Mr M B Mhlongo
Strategic Manager: Technical Services	-	Mrs C A Mathebula ( from 01 July 2007 to 02 June 2008) in acting capacity.  Mr B Rajoo (from 03 June 2008 – 30 June 2008) in Acting capacity

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## 2. Performance Highlights

- **Adoption of budget by statutory deadline** in terms of Section 24 of the Municipal Finance Management Act, Act 56 of 2003
- **Adoption of Annual Financial Statements and submission to the Auditor-General by the statutory deadline** in terms of Section 126 of the Municipal Finance Management Act, Act No 56 of 2003
- **Adoption of Annual Report and submission to the MEC for Local Government by the statutory deadline** in terms of Section 127 of the Municipal Finance Management Act, Act 56 of 2003
- **Adoption of the Integrated Development Plan (IDP) within legislative timeframe** in terms of Chapter 5, Section 25 of the Municipal Systems Act, Act 32 of 2000 (as amended)
- **Performance Management System** compliance in terms of Chapter 6 of the Municipal Systems Act, Act 32 of 2000 – in specific sections 38 to 49 and 57 of the mentioned act  
  
(Reviewed Performance Management System and signature of Performance Agreements by Strategic Managers)
- **Review of Policies and Procedures** – undertaken the process to review, extend and or formulate all policies respective to the Richmond Municipality and also to draw up procedures for the successful implementation and monitoring of the policies
- **Receipt of an unqualified audit opinion** – it must be noted that this has been the case for the past 10 financial years
- **Public Participation processes including effectiveness of ward committees**
  - Successful hosting of Mayoral Budget and IDP Imbizo's
  - Establishment of Ward Committees in each of the seven wards
  - Allocated funding for the development of a Communication Strategy which will be in line with the Provincial Community Participation Framework and National Governments Communicators Toolkit and will include a Citizens Charter
  - Allocated funding for the development of a municipal website
- Solicited funding and completed the development of a Marketing Strategy which is aimed at marketing Richmond as a preferred destination to live, to visit and to do business in order to accelerate social and economic upliftment in the area

- **Implementation of MIG Projects** – namely, Indaleni Traffic Circle, Smozomeni Community Hall, Magoda Community Hall, Roselands Access Road, Smozomeni Pedestrian Bridge
- **Housing Projects**  
2500 houses handed over to beneficiaries (Argossy Farm and Siyathuthuka Phase1)
- **Learners Licence Testing Centre**  
The centre is now fully operational.
- **Public Transport**  
The unit has managed to assist taxi owners and their associations in terms of Permits or Operating licences to be in line with the recapitalization process.
- **Social Development**  
Together with the Department of Social Development we have managed to establish an organization/club comprising of physically challenged persons called uDondolo.

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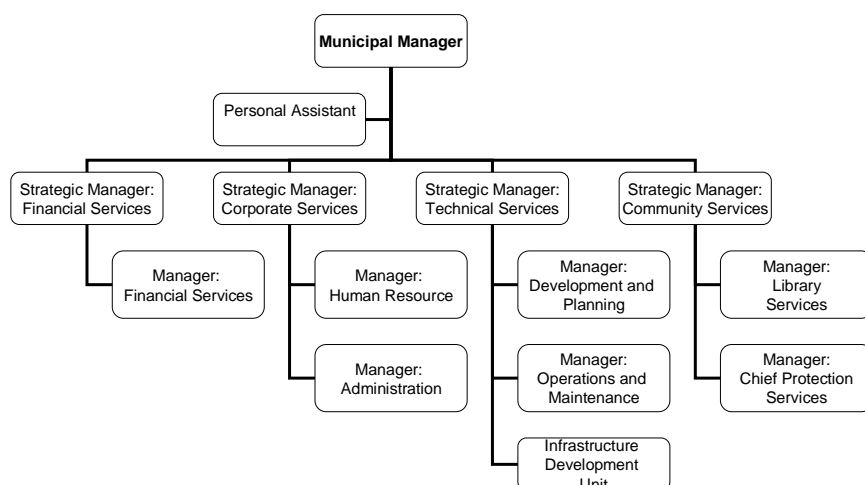
### **3. Human Resources**

#### **3.1 Organogram**

3.1.1	Number of approved	...?????
3.1.2	Number of posts filled	...?????
3.1.3	Number of posts vacant	.....?????

### 3.1.2 Management Component

## Management Component - Organogram



### 3.2 Staffing

### 3.3 Trends on Personnel Expenditure

### Personnel expenditure for trends 2006/2007 and 2007/2008

	2008 R	2007 R
<b>EMPLOYEE RELATED COSTS</b>		
Employee related costs - salaries	6,020,810	5,399,372
Employee related costs - contributions for uif, pensions, medical aids and b/c levies	1,308,866	980,086
Travel, motor car and other allowances	110,000	120,000
Housing benefits and allowances	3,299,182	2,759,899
Overtime payments	232,094	603,931
Bonus payments	437,373	307,664
	-	
Less: Councillor's remuneration and allowances	2,074,954	-1,918,644
<b>Total employee related costs</b>	<b>9,333,371</b>	<b>8,252,308</b>

### 3.4 Medical Aid and Pension Funds to which staff and councillors belong

#### 3.4.1 Medical Aids

- Global Health
- SAMWU Med
- Bonitas Medical Aid

#### 3.4.2 Pension Funds

- KwaZulu Natal Joint Municipal Pension/Provident Fund
- Municipal Councillors Pension Fund

### 3.5 Arrears owed by staff and councillors

Positions	Arrears
1. Staff	nil
2. Councillors	nil

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#### 4. Audited Statements and Related Financial Matters

Audited Financial Financials in terms of section 126 (1) of the Municipal Finance Management Act

##### **ANNEXURE A (Page 22)**

Report of the Auditor-General in terms of section 126 (3) of the Municipal Finance Management Act and section 45 (b) of the Municipal Systems Act

##### **ANNEXURE B (Page 23)**

Annual Performance Report in terms of section 46 of the Municipal Systems Act

##### **ANNEXURE C (Page 24) (Inclusive of a copy of the approved Service Delivery and Budget Implementation Plan for 2008/09)**



#### 4.5 Assessment of arrears on municipal rates and taxes

#### 4.6 Assessment of the performance against measurable performance objectives for revenue collection

4.7 Corrective action taken in response to issues raised in the report of the Auditor-General

**MANAGEMENT RESPONSES TO THE REPORT OF THE AUDITOR-GENERAL TO THE MUNICIPAL COUNCIL AND THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF RICHMOND MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

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## 5. Functional area Service Delivery Reporting

### 5.1 Municipal Managers Office

#### Overview:

- Endeavour to properly conduct, improve, extend and develop the business and affairs of the municipality
- Accountable for the formation and development of an economical, effective, efficient and accountable administration that is equipped to carry out the task of implementing the Municipality's Integrated Development Plan and Performance Management System in accordance with the Municipal Systems Act.
- Responsive to the needs of the community and the creation of a suitable environment to harness community participation responsive to the aspirations of a developmental local government
- Contribute or create an environment responsive to economic development so as to aid in the sustainability of the municipality, its stakeholders and community
- Compliance at all times with the legislative framework governing municipalities

#### Description of the activity:

- The management of the provision of services to the local community in a sustainable and equitable manner
- Appointment, management, effective utilization, training and discipline of staff inclusive of the promotion of sound labour relations and compliance with applicable labour legislation
- Advising the political structures and political office bearers and managing communications between the Municipality's administration and its political structures and political office bearers, inclusive of executing the decisions of the political structures and political office bearers
- The administration and implementation of the Municipality's by-laws and other legislated mandates inclusive of delegated powers as delegated in terms of the Municipal Systems Act
- The successful facilitation of dialogue by the local community in the affairs of the municipality and maintaining a system to assess service delivery
- As Accounting Officer, and in terms of the MFMA, is accountable for all income and expenditure, assets and the discharge of liabilities and the proper and diligent compliance with the MFMA

## 5.2 Finance Department

### Overview

The finance department provides financial support and guidance to all other directorates within the Richmond Municipality on financial matters.

### Description of activity

The finance department is broken down into the following components in order to fulfill its obligations to its internal structures and communities:-

- Budget and Treasury Office
- Expenditure Section
- Billing Section
- Credit Control and Revenue Management Section
- Supply Chain Management Unit

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## 5.3 Corporate Services

### Overview

- To provide Administrative and Human Resource support to departments aimed at improving service delivery and ensuring compliance with prescriptions
- To ensure that the strategic objectives of the municipality are achieved whilst complying with all legal provisions

### Description of activity

- To create an enriching working environment where the optimum of employee capabilities is received as an output so as to ensure and improve upon the delivery of services to the community in a sustainable fashion
- To promote sound governance and provide administrative support and ensure that the applicable legislative mandate is adhered to in terms of sound labour practice
- Creation of a reliable system of communication (internal and external), record keeping (hard copy and electronic)
- Implementation of the Performance Management Framework, inclusive of the signature of performance agreements, ensuring the guidelines to measuring performance are adhered

to and further ensuring the participation of the local community in measuring the performance of the municipality as an institution

- Facilitate the development of Ward Committees and render support to ensure that their objectives are realised
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## **5.4 Community Services**

### **Overview**

The Strategic Manager of Community Development and Social Services oversees and ensures the smooth running of Library Services, Protection Services and deals with Housing Development.

### **Description of the activity**

#### **- Library**

Richmond Library is affiliated with Provincial Library Services. There are about 2000 users. It provides the following functions ;

#### **Community**

It provides comprehensive information to the community. This is done by issuing and returning books to users. The books are issued to users who are members of the library. Membership is free.

#### **Schools**

The Library Services also help schools with materials that they do not have. Learners are given guidance in terms of how to use the Library. Moreover, the Library Services assist Schools with readership programs and also coordinate and conduct user education when Schools visit the Library. The Library Services also provide services that has to do with photocopying and printing.

The constant circulation of materials in the Richmond area enables the libraries to provide the public with new reading material on a regular basis.

#### **Special Requests**

- An opportunity for readers to select materials, that are not available at our libraries, from the Regional Library.

- **Housing**

- All activities associated with provision of housing
- Continuous management, coordination and facilitation of all Municipality's Housing development projects within Richmond Municipality.
- Construction of houses for the approved beneficiaries
- The municipality has a mandate to lead and direct the housing function so that the strategic objectives of the municipality in relation to housing are achieved.
- The establishment of an inclusive, representative and accountable development structures within communities.
- Identification of other primary actors with whom the community should relate for the purposes of successful development.
- Certification of potential housing beneficiaries.
- Facilitation of the sales administration process.
- Signing of building agreements by beneficiaries.
- Appointment of Project Manager(s) by the Developer.
- Appointment of Contractor(s) to undertake the actual construction of houses.
- Capacitating and empowerment of locally based contractors to participate in the construction of houses as sub-contractors.
- Employment of unskilled local people to assist skilled labourers during the construction phase.

The Strategic Objectives of this function are to:

- Reduce the population living in informal structures
- To ensure access to formal housing opportunities.

- **Protection Services**

- Driving Licence Testing Centre (Learners Licence, Driver Licence Renewals, PrDP's etc)
- Motor Licensing
- Fines Processing
- Road Safety
- Law Enforcement
- Enforcement of Bylaws
- Crime Prevention
- Municipal Security
- Disaster Management



## **5.5 Technical Services**

### **Overview**

The Technical Services Department is responsible for the day to day maintenance and development of the municipality in the areas of cemetery, estates, buildings and building inspectorate, refuse collection, roads storm water maintenance, parks and gardens, mechanical workshops, fleet management and planning and development.

### **Description of activity**

- Day to day maintenance
  - Refuse collection
  - Roads and storm water maintenance and construction
  - Traffic engineering
  - Parks and gardens
  - Mechanical works
  - Fleet management
  - Building inspection
  - Provide technical and engineering support to the municipality and external organisations
  - Rehabilitation of roads
  - Planning and development
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**ANNEXURE A**  
**AUDITED FINANCIAL STATEMENTS IN TERMS OF SECTION 126 (1) OF THE MUNICIPAL**  
**FINANCE MANAGEMENT ACT**

**ANNEXURE B**  
**REPORT OF THE AUDITOR-GENERAL IN TERMS OF SECTION 126(3) OF THE MUNICIPAL**  
**FINANCE MANAGEMENT ACT AND SECTION 45 (B) OF THE MUNICIPAL SYSTEMS ACT**

**ANNEXURE C**  
**ANNUAL PERFORMANCE REPORT IN TERMS OF SECTION 46 OF THE MUNICIPAL**  
**SYSTEMS ACT (INCLUSIVE OF A COPY OF THE APPROVED SERVICE DELIVERY AND**  
**BUDGET IMPLEMENTATION PLAN FOR 2007/08)**

